1985

Woodward's Annual Report
for the fiscal year ended
January 25, 1986.
It was a year unlike any
other in the history of Woodward's.
The Company updated its
merchandising strategy to meet the
challenges of today's
marketplace. **W**e continued
our major renovation
program to add flair and
excitement to

our stores. **W**e sold our real estate, realizing a substantial benefit for our shareholders. In the process, we attracted a lot of media attention and generated a good deal of public awareness of the Company and its plans for the future. For an outside observer, it must have looked at times as though Woodward's was severing its links with the past and heading off in an entirely new

direction. But a close look at our 94-year history shows that Woodward's is continuing its commitment to meet the ever-changing needs and tastes of our customers. **W**hen my grandfather, Charles Woodward, came to Vancouver in 1891, he carried out his own "market research" and decided that Vancouver could use a good store, specializing in boots and shoes, dry goods and men's clothing.

A little later he added a drug department. New products were introduced whenever he saw a sales opportunity. As an innovative merchandiser, he pioneered the "One Price Sale Day" in 1910 that continues today as "$1.49 Day". Woodward's was one of the first companies to recognize the potential of self-service food markets, opening our first self-service groceteria in 1919. Woodward's was also one of the first retailers in Canada to recognize the potential of shopping malls when

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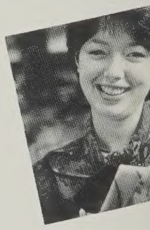

we opened a department store and a food floor in Canada's first shopping centre, West Vancouver's Park Royal. It was a natural step to become directly involved in the real estate business, and we built Vancouver's Oakridge Centre in 1959. In the years that followed we developed a number of other

shopping centres in B.C. and Alberta which constituted our very extensive real estate assets.

Seen in this context, the changes and innovations of the past year are simply a continuation of the Company's eagerness to adjust its strategies and merchandising policies to take

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advantage of new business opportunities and to keep pace with the ever-changing needs and tastes of our customers. The major feature that distinguished 1985 from other years is that so much has changed in so short a time.

While we were in the process of repositioning our Company in the marketplace, two firms actively competed for the right to acquire our real estate assets. As a result of extensive negotiations Woodward's concluded with Cambridge Leaseholds

Limited a complex but very beneficial arrangement for our shareholders. Had our efforts not succeeded Woodward's would likely be a private company with one shareholder rather than a public operation with approximately 6,000 shareholders, the great majority being residents of Western Canada.

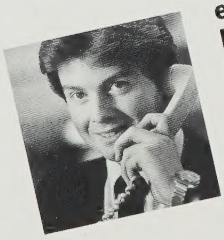
Even before the deal was concluded, our retail operations were showing some very positive results

from our new efforts to focus more attention upon specific classes of shoppers: a prime target being those contemporary young women and men who constitute a major segment of the buying public. This decision required us to place greater emphasis upon fashion and selected home products, a move also designed to maximize our return on investment.

As well, we have become far more sensitive to the differences

The focus is definitely on fashion at Woodward's. Without neglecting our traditional customers, we have set our sights on becoming *the* place to shop for contemporary young women and men with an eye for the latest fashion apparel.

Woodward's unquestionably dominates the upscale sector of the food industry in Western Canada. We have proven that price is not the only consideration for many, many shoppers. Our commitment to quality, selection and service has enabled us to hold our market share in one of the most competitive industries in the world.



among our trading areas and are adapting our products to take advantage of these geographic preferences.

To complement this new merchandising strategy, Woodward's expanded its major renovation program to update the look of our stores. We transformed our 27-year-old Oakridge store into an exciting, even dazzling, shopping environment, and our customers have loved it. Sales are exceeding

our most optimistic projections.

We had found a formula that worked and refined it even further in our new West Edmonton Mall store which opened last fall. As well, we completed the renovation of four other stores in 1985 and will continue to upgrade our remaining stores.

While the calibre of our facilities is important, it is our people that matter most in the Company. They have given us our competitive edge and have made this

In a word — breathtaking! Our new and remodelled stores offer our customers a unique shopping environment that complements our new emphasis on fashion. Store interiors, as well as the design and layout of individual departments, encourage customer involvement and stimulate customer needs.

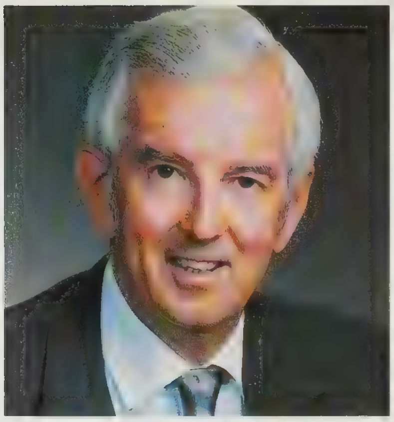
Company what it is today. In 1985, they proved themselves once again with their solid support during the most trying time in our history.

If my grandfather and father were alive today, I know they would approve of the steps we have taken to keep pace with the customers they worked so hard to serve. They would approve because we have remained true to the basic principles upon which they founded

and built this Company — Value, Service and Innovation.

Our management team is committed to maintaining these principles to ensure that Woodward's retains its unique place in the hearts of Western Canadians. As talented aggressive people, they have their minds directed to the future and are committed to making any changes necessary to meet the challenges of today's and tomorrow's marketplace.

Woodward's really has the best of both worlds — deep roots to give us strength and stability, and modern, expanded facilities to ensure that we remain innovative and in tune with our customers. It is an unbeatable combination and promises a bright and profitable future. Our customers, our staff, our shareholders and all Western Canadians will be the beneficiaries.



On my own behalf and on behalf of my family I want to sincerely thank you for the overwhelming personal support you have given us.

C.N. Woodward

The year ended January 25, 1986 was a period of transition for Woodward's Limited. The sale of its real estate assets resulted in a significant return of capital to our shareholders and a restructure of the consolidated balance sheet. Implementation of new retail strategies began to take place during the year focusing on the expansion of our share of the fashion and softgoods market in our trade areas. These major changes took place with the support of our shareholders, customers and staff.

Financial

Total operating revenue for the year was $1,112,972,000 as compared to $1,084,354,000 for the previous year; an increase of 2.6%.

Earnings from merchandising operations were $2,487,000 compared to a loss last year of $1,169,000. Total earnings before extraordinary items were $5,272,000 or $.34 per share as compared to $2,778,000 or $.18 per share for the previous year. After the inclusion of extraordinary items, net earnings amounted to $9,290,000 or $.59 per share; this compares to $26,433,000 or $1.70 per share last year.

Working capital increased by $16,064,000 to $178,575,000 at the year end. The ratio of current assets to current liabilities was 2.55 to 1 compared to 2.52 to 1 for last year. Capital expenditures for properties, fixtures and equipment were $14,758,000 compared to last year's total of $21,266,000.

Dividends

The Directors declared a dividend of twenty-five cents (25¢) per share on the outstanding Class A, Class B and Class C shares without par value in the capital of the Company. The dividend will be payable on May 30, 1986 to members of the Company of record at the close of business on April 25, 1986 in the form of a stock dividend consisting of fully paid Class A shares on which the amount to be treated as paid shall be $7.675 per Class A share. No fractional Class A shares will be issued and in lieu thereof shareholders will receive any balance of the dividend to which they are entitled in cash.

Activities in Brief

The single most important activity this past year was the sale of Woodward Realty Limited to a subsidiary of Cambridge Shopping Centres Limited. This was approved at a General Meeting of the Shareholders held on October 9, 1985. Upon completion of the transaction, payments equivalent to $13.75 per share were distributed to shareholders of record as of October 15, 1985. Woodward's continues to occupy, under long term leases, all the locations it had previously owned.

In completing the transaction involving Woodward Realty Limited, it was necessary to establish new banking arrangements. As a result, the Bank of Montreal was appointed as Woodward's principal banker and provides credit, treasury, trade finance and cash management services to the Company.

A new department store and food floor were opened on September 11, 1985 at the West Edmonton Mall, Edmonton, Alberta. The merchandise presentation and physical design of this location reflects the new retail strategy. Also, in keeping with this new direction, renovations and remodelling of four existing locations took place during the year. Woodward's department stores at Lansdowne Park Shopping Centre in Richmond, British Columbia, Chinook Centre in Calgary, Alberta, and at Southgate Centre and Westmount Centre in Edmonton, Alberta now reflect the new look. The result of the physical changes to these locations has been improved sales in targeted departments and an overall improvement in the gross margin for the department store operation.

The food division continued to experience strong competition in terms of both sales and gross margin from superstores opening in selected markets. However some of this effect is short term, with customers returning to our food floors after initial visits to the new outlets.

Abercrombie & Fitch opened in West Edmonton Mall in September, 1985; a third store has recently opened in First Canadian Place in Toronto. Abercrombie & Fitch is a specialty store offering high quality casual apparel and sporting goods products. We are pleased with the acceptance that these stores have received from the public and are continuing to look for additional locations.

Woodwynn Stores, an upgraded version of our Bargain Store concept, opened its first store in September, 1985 in Port Alberni, British Columbia. Additional stores have been opened at the Guildford Centre, Surrey, British Columbia and the Westmount Centre. Additional freestanding Woodwynn Stores are planned for selected markets to compete with junior department stores. These stores emphasize family fashions, linens and bedding at moderate price points. Initial results from the new stores are

very promising. Management perceives the expansion of these outlets as a profitable opportunity.

Outlook

The future of any business is a function of how well its management is able to adapt to the changes in its selected markets. For retailers, it is the ability to recognize the needs of the market place and translate those needs into product selection and an environment which best fulfills the expectations of the consumer. Businesses can no longer be passive and rely on growth being generated from external activities in the economy.

We are pleased to report that the redirection of the retail strategies in our department stores is showing the type of improvement originally projected and the outlook is for further growth. The emphasis on the fashion and softgoods products will continue to grow over the foreseeable future while slow growth, low margin commodities will be de-emphasized. Woodward's is taking an aggressive posture to re-establish its profitability in the department store operations through strategic action rather than waiting for the economy to provide growth.

Continued introduction of new competition in the food industry will, in the short term, limit the sales growth opportunities for our food floors. There may be temporary pressure on the margins as the competition use price war tactics to buy market share. We are confident that the strategy of superior product selection and high levels of customer service will continue to provide a viable market for Woodward's food business.

In August, 1986, a department store and food floor will be opening in leased premises at the Metrotown Centre, Burnaby, British Columbia. This site, shared with Sears, will be a major shopping complex for the residents of Burnaby and we are pleased to be a part of this project. The market served by this shopping centre has been identified for many years as a major opportunity for Woodward's. We look forward to serving new customers in this location.

To complement the strategy of increased emphasis on fashions and softgoods, the store renovation program is continuing. Three locations in British Columbia are currently being updated; Park Royal Shopping Centre in West Vancouver, Mayfair Centre in Victoria and Guildford Centre in Surrey. These stores will reflect the latest concepts in merchandise presentation and display while providing product assortments customized to the individual trade area.

Directors

Two new Directors were appointed during the year. Mr. J.L. Braithwaite, President of Cambridge Shopping Centres Limited and Mr. W.J.D. Woodward, Executive Vice President, Merchandising of Woodward's were appointed to the Board in December.

Mr. G.W. MacLaren resigned as President and a Director in June, 1985.

Executive Changes

Mr. F.A. Robertson was appointed President and Chief Operating Officer in June, 1985. Mr. Robertson has been with Woodward's for 38 years of which 14 years were in the Alberta operation. Mr. Robertson's career has taken him through all levels of merchandising. He was Executive Vice President prior to his appointment as President.

The following Senior Management appointments were made during the year:

Mr. W.J.D. Woodward, Executive Vice President, Merchandising

Mr. J.D. Gilbert, Vice President, Retail

Mr. T.N. Sebal, Vice President, Human Resources

Mr. C.C. Woodward, Vice President, Stores

Mr. W.G. Forbes, Vice President, Store Operations retired in January, 1986, after 28 years of service. We extend to him our best wishes and appreciation for his contribution to the Company.

Acknowledgements

The past year has been one of change and redirection for Woodward's. The support and encouragement that the Executive received from staff and management is greatly appreciated. We are grateful for the ongoing interest and confidence of our customers and shareholders.

Respectfully submitted

Chairman of the Board and Chief Executive Officer

President and Chief Operating Officer

April 10, 1986

FINANCIAL HIGHLIGHTS

WOODWARD'S LIMITED AND SUBSIDIARY COMPANIES

FISCAL YEARS ENDED (THOUSANDS OF DOLLARS EXCEPT PER SHARE DATA)	January 25, 1986	January 26, 1985	% Increase (Decrease)
For the Year:			
Operating revenue	$1,112,972	$1,084,354	2.64
Earnings before extraordinary items	$ 5,272	$ 2,778	89.78
Earnings per share before extraordinary items	$ .34	$ .18	88.89
Net earnings	$ 9,290	$ 26,433	(64.86)
Basic net earnings per share	$ .59	$ 1.70	(65.29)
Dividends per share	$ .40	$ .50	(20.00)
At Year End:			
Working capital	$ 178,575	$ 162,511	9.89
Shareholders' Equity	$ 148,436	$ 219,526	(32.38)
Equity per share	$ 9.36	$14.06	(33.43)

CONSOLIDATED STATEMENT OF EARNINGS

WOODWARD'S LIMITED AND SUBSIDIARY COMPANIES

FISCAL YEAR ENDED (THOUSANDS OF DOLLARS)	January 25, 1986	January 26, 1985
		(NOTE 2(c))
OPERATING REVENUE:		
Sales including service charges	$ 1,106,547	$ 1,078,604
Other income	6,425	5,750
Total operating revenue	1,112,972	1,084,354
COSTS AND EXPENSES:		
Cost of merchandise sold and all other expenses except those listed hereunder	845,102	827,524
Selling, general and administrative	241,540	238,036
Profit sharing and retirement funds	2,457	5,579
Depreciation and amortization	13,612	12,217
Net interest expense (NOTE 9)	11,474	8,961
Total costs and expenses	1,114,185	1,092,317
OPERATING (LOSS) FROM MERCHANDISING OPERATIONS	(1,213)	(7,963)
INCOME TAXES (RECOVERY OF) (NOTE 10):		
Current	(211)	(11,640)
Deferred	(3,489)	4,846
	(3,700)	(6,794)
EARNINGS (LOSS) FROM MERCHANDISING OPERATIONS BEFORE EXTRAORDINARY ITEMS	2,487	(1,169)
EARNINGS FROM DISCONTINUED OPERATIONS BEFORE EXTRAORDINARY ITEMS (NOTE 2(c))	2,785	3,947
TOTAL EARNINGS BEFORE EXTRAORDINARY ITEMS	5,272	2,778
EXTRAORDINARY ITEMS (NOTE 11)	4,018	23,655
NET EARNINGS	$ 9,290	$ 26,433
(DOLLARS)		
BASIC NET EARNINGS (LOSS) PER SHARE (NOTE 12):		
Earnings (loss) from merchandising operations before extraordinary items	$ .16	$ (.07)
Earnings from discontinued operations before extraordinary items	.18	.25
	.34	.18
Extraordinary items	.25	1.52
Net earnings	$ .59	$ 1.70

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

WOODWARD'S LIMITED AND SUBSIDIARY COMPANIES

FISCAL YEAR ENDED (THOUSANDS OF DOLLARS)	January 25, 1986	January 26, 1985
		(NOTE 2(c))
RETAINED EARNINGS, BEGINNING OF YEAR	$ 164,036	$ 144,883
Net earnings	9,290	26,433
	173,326	171,316
DEDUCT:		
Dividends		
Class A shares	4,560	5,434
Class B shares	508	649
Class C shares	1,074	1,197
	6,142	7,280
Premium on redemption of Class G shares (NOTE 2(d))	34,512	—
	40,654	7,280
RETAINED EARNINGS, END OF YEAR	$ 132,672	$ 164,036

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

WOODWARD'S LIMITED AND SUBSIDIARY COMPANIES

FISCAL YEAR ENDED (THOUSANDS OF DOLLARS)	January 25, 1986	January 26, 1985 (NOTE 2(c))
OPERATING ACTIVITIES:		
Earnings (loss) from merchandising operations before extraordinary items	$ 2,487	$ (1,169)
Add (deduct) items not involving a flow of funds:		
Depreciation and amortization	13,612	12,217
Deferred income taxes	(3,489)	4,846
Other	(63)	411
Total funds provided by merchandising operations	12,547	16,305
Dividends from Woodward Realty Limited	—	23,500
Net changes in other working capital items*	(17,749)	2,748
Cash dividends paid (including redemption of Class E shares issued as stock dividends)	(3,090)	(1,329)
Total funds (used in) provided by operating activities	(8,292)	41,224
FINANCING ACTIVITIES:		
Proceeds from long-term debt	25,000	—
Capital lease obligations	8,745	—
Issue of shares	3,375	—
Repayment of long-term debt and capital lease obligations	(5,912)	(1,580)
Reduction of other accrued liabilities	(256)	—
Notes payable to a corporate joint venture of Woodward Realty Limited	(3,858)	303
Redemption of Class G Shares (NOTE 2(d))	(75,586)	—
Redemption of Class D shares	—	(201)
Total funds (used in) financing activities	(48,492)	(1,478)
INVESTING ACTIVITIES:		
Additions to properties, fixtures and equipment	(14,758)	(21,266)
Assets under capital leases	(8,745)	—
Disposals of properties, fixtures and equipment	3,183	9,286
Investment in Woodward Realty Limited	(9,856)	(12,754)
Disposal of investment in Woodward Realty Limited (NOTE 2(d))	75,586	—
Secured receivables	4,587	107
Other	(469)	(3,373)
Total funds provided by (used in) investing activities	49,528	(28,000)
(INCREASE) DECREASE IN BANK AND OTHER SHORT-TERM INDEBTEDNESS	(7,256)	11,746
BANK AND OTHER SHORT-TERM INDEBTEDNESS, BEGINNING OF YEAR	(29,357)	(41,103)
BANK AND OTHER SHORT-TERM INDEBTEDNESS, END OF YEAR	$ (36,613)	$ (29,357)
*NET CHANGES IN OTHER WORKING CAPITAL ITEMS COMPRISE:		
Cash	$ (304)	$ 298
Marketable securities	5	—
Accounts receivable	(11,768)	(816)
Merchandise inventories	(11,933)	5,769
Prepaid expenses	(190)	284
Accounts payable and accrued liabilities	7,639	(6,892)
Income taxes payable	(1,198)	4,105
	$ (17,749)	$ 2,748

CONSOLIDATED BALANCE SHEET

WOODWARD'S LIMITED AND SUBSIDIARY COMPANIES

Assets

AS AT (THOUSANDS OF DOLLARS)	January 25, 1986	January 26, 1985 (NOTE 2(c))
CURRENT ASSETS:		
Cash	$ 3,710	$ 3,406
Marketable securities — at cost (market value: 1986 — $9,435; 1985 — $8,973)	1,439	1,444
Accounts receivable	106,362	94,594
Merchandise inventories	179,449	167,516
Prepaid expenses	2,620	2,430
Total current assets	293,580	269,390
INVESTMENT IN WOODWARD REALTY LIMITED (NOTE 2)	—	60,999
SECURED RECEIVABLES (NOTE 3)	387	4,974
OTHER INVESTMENTS	2,145	1,893
PROPERTIES, FIXTURES AND EQUIPMENT:		
Land	—	2,734
Fixtures, equipment and leasehold improvements	177,844	158,784
Total cost	177,844	161,518
Less accumulated depreciation	99,473	84,273
Net properties, fixtures and equipment	78,371	77,245
ASSETS UNDER CAPITAL LEASES (NOTE 4(a))	10,570	7,878
DEFERRED INCOME TAXES	2,480	—
OTHER ASSETS	2,048	2,698
TOTAL	$ 389,581	$ 425,077

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of Woodward's Limited as at January 25, 1986 and the consolidated statements of earnings, retained earnings and changes in financial position for the fiscal year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Company as at January 25, 1986 and the results of its operations and the changes in its financial position for the fiscal year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding fiscal year.

Vancouver, British Columbia
April 10, 1986

DELOITTE HASKINS & SELLS
Chartered Accountants

AS AT (THOUSANDS OF DOLLARS)	January 25, 1986	January 26, 1985 (NOTE 2(c))
Liabilities and Shareholders' Equity		
CURRENT LIABILITIES:		
Bank and other short-term indebtedness (NOTE 5)	$ 36,613	$ 29,357
Accounts payable and accrued liabilities	77,026	69,387
Income taxes payable	—	1,198
Current portion of long-term debt and capital lease obligations	1,366	3,079
Notes payable to a corporate joint venture of Woodward Realty Limited	—	3,858
Total current liabilities	115,005	106,879
OTHER ACCRUED LIABILITIES (NOTE 6)	2,614	—
LONG-TERM DEBT (NOTE 6)	101,207	79,170
CAPITAL LEASE OBLIGATIONS (NOTE 4(b))	10,484	8,213
DEFERRED GAINS ON SALES OF CERTAIN PROPERTIES (NOTE 1(g))	11,835	8,501
DEFERRED INCOME TAXES	—	2,788
	241,145	205,551
SHAREHOLDERS' EQUITY:		
Share capital (NOTE 7(d))	14,494	45,815
Contributed surplus (NOTE 2(d))	1,270	4,596
Unrealized net gains on sales of certain properties to Woodward Realty Limited and related corporate joint ventures (NOTE 8)	—	5,079
Retained earnings	132,672	164,036
Total shareholders' equity	148,436	219,526
TOTAL	$ 389,581	$ 425,077

Approved by the Board:

C.N.W. Woodward, Director
M. Gandossi, Director

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES:

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada, and reflect the following policies:

(a) Basis of Consolidation: The consolidated financial statements include the accounts of the Company and all of its subsidiaries, which are wholly-owned (collectively referred to as "Woodward's"), as follows:

Woodward Stores Limited
Woodward Acceptance Company Limited
Abercrombie & Fitch Co. (Canada) Inc.
Locarno Investments Limited
Thirty-one Purchasing Service Limited
Deli Farm Food Processors Limited
Lansdowne Food Fair Services Limited
Woodward Stores (London) Limited
Del-Pak Foods, Limited
Provincial Construction Company Limited
Woodward's Furniture Fair Limited
Britalta Wholesale Drugs Limited

The Company's investment in its previously wholly-owned subsidiary, Woodward Realty Limited was disposed of during the current fiscal year as outlined in Note 2(a).

(b) Accounts Receivable: In accordance with recognized industry practice, accounts receivable include certain instalment accounts of which a portion will not become due within one year.

(c) Merchandise Inventories: The basis of valuation of merchandise inventories, at the lower of cost and net realizable value, is determined principally by use of the retail method of accounting generally used within the industry.

(d) Other Investments: Woodward's investments in other companies where its equity interest is less than 20% are accounted for using the cost method. Under this method, dividends are included in earnings when received.

(e) Lease Obligations: Leases transferring substantially all of the benefits and risks incident to ownership of property ("capital leases") are accounted for as the acquisition of assets financed by long-term liabilities. All other leases are accounted for as "operating leases" whereby rentals are charged against earnings.

(f) Depreciation and Amortization: Woodward's provides for depreciation and amortization of fixtures, equipment and leasehold improvements, including those held under capital leases, principally on the straight-line basis at rates sufficient to write off the cost of the various classes over their estimated useful lives or lease terms. The annual rates, for other than leasehold improvements, are 10% to 20% of cost on fixtures and equipment.

(g) Deferred Gains on Sales of Certain Properties: The gains on sales of certain properties which have been leased back, have been deferred and are being amortized to earnings as an adjustment of rent expense over the terms of the leases.

(h) Store Pre-opening Expenses: These expenses are charged against earnings as incurred.

(i) Fiscal Year End: The fiscal year end of Woodward's is the last Saturday in January of each year.

NOTE 2. DISPOSAL OF INVESTMENT IN WOODWARD REALTY LIMITED:

(a) On October 15, 1985 and pursuant to an agreement dated August 21, 1985, as amended by an agreement dated October 10, 1985, (collectively referred to as the "Agreement") with Cambridge Shopping Centres Limited and two of its subsidiaries (collectively referred to as "Cambridge"), the Company and Cambridge implemented an arrangement (the "Arrangement") under the Company Act (British Columbia) whereby the Company's investment in its wholly-owned subsidiary Woodward Realty Limited ("Realty") was acquired by Cambridge.

The Arrangement resulted in, among other things, the following:

(i) the reorganization of capital by the Company whereby one Class G share and one new Class A share, Class B share or Class C share were issued in exchange for each respective outstanding old Class A share, Class B share and Class C share, all of which were cancelled;

(ii) the transfer by the Company of its investment in shares of Realty to a subsidiary ("Newco") of Cambridge Shopping Centres Limited in exchange for redeemable voting preferred shares (the "Preferred Shares") of Newco;

(iii) the exchange of the outstanding Class G shares of the Company for redeemable non-voting shares (the "Non-Voting Shares") of Newco;

(iv) the redemption by Newco of its outstanding Preferred Shares held by the Company by the surrender to the Company of the Company's Class G shares held by Newco, and the redemption by the Company of its outstanding Class G shares held by Newco by the surrender to Newco of Newco's Preferred Shares held by the Company;

(v) the cancellation by the Company of its outstanding Class G shares; and

(vi) the redemption for cash by Newco of its Non-Voting Shares at $13.75 per share.

From and after the effective date of the Arrangement on October 15, 1985, each share certificate for the old Class A shares, Class B shares and Class C shares was deemed for all purposes to represent new Class A shares, Class B shares and Class C shares, respectively.

(b) Prior to the Arrangement becoming effective, and as provided for in the Agreement with Cambridge, the following transactions were completed on October 11, 1985:

(i) the purchase by Woodward's from Realty of equipment with a carrying value of $9,270,000 and the assumption of the related liability for deferred income taxes of $1,132,000;

(ii) the sale by Woodward's to Realty of freehold land for its carrying value of $2,734,000;

(iii) the repayment by Realty of the balance of advances payable to Woodward's (after giving effect to (i) and (ii) above) of $22,699,000; and

(iv) the subscription by the Company for an aggregate of $55,827,000 in share capital of Realty.

(c) The Company's share of the earnings of Realty before extraordinary items for the period up to the date of disposal of the Company's investment therein has been reported in these consolidated financial statements as earnings from discontinued operations. For comparative purposes, the consolidated financial statements for the previous fiscal year have been restated accordingly, including presentation of the investment in Realty on the equity rather than the consolidated basis, with no change in the previously reported total earnings before extraordinary items or net earnings. The earnings from discontinued operations before extraordinary items comprise the following:

(THOUSANDS OF DOLLARS)	January 25, 1986	January 26, 1985
Rental revenue and other income	$16,868	$21,895
Costs and expenses (net of recoveries from tenants)	13,560	17,240
Operating earnings	3,308	4,655
Share of net earnings of corporate joint ventures	891	1,403
Earnings before the undernoted	4,199	6,058
Income taxes	1,414	1,784
Earnings before minority interest and extraordinary items	2,785	4,274
Minority interest	—	327
Earnings from discontinued operations before extraordinary items	$ 2,785	$ 3,947

(d) The disposal of the Company's investment in shares of Realty and the related redemption by the Company of its outstanding Class G shares, have been accounted for on the basis of the investment at equity of $76,523,000 plus the Company's share of expenses of $3,333,000, net of deferred income taxes of $1,826,000, incurred in connection with the Agreement and net of the previously unrealized net gains of $4,270,000 on sales of certain properties to Realty and related corporate joint ventures. This resulted in a reduction in paid-up capital and contributed surplus of $37,748,000 and $3,326,000, respectively, and a charge to retained earnings of $34,512,000.

NOTE 3. SECURED RECEIVABLES:

Secured receivables consist of loans under a Share Purchase Plan which are receivable from officers of the Company, are interest-free and mature in 1991.

NOTE 4. CAPITAL LEASES:

(a) Assets Under Capital Leases:

(THOUSANDS OF DOLLARS)	January 25, 1986	January 26, 1985
Building	$ —	$ 5,372
Fixtures and equipment	14,267	5,522
Total cost	14,267	10,894
Accumulated amortization	3,697	3,016
	$10,570	$ 7,878

(b) Capital Lease Obligations:
Future minimum lease payments under the capital leases are as follows:

(THOUSANDS OF DOLLARS)	January 25, 1986	January 26, 1985
Fiscal years ending in:		
1986	$ —	$ 1,421
1987	2,444	1,421
1988	2,444	1,421
1989	2,444	1,421
1990	2,788	1,766
1991	1,612	591
Thereafter to 1996	7,524	23,140
Total future minimum lease payments	19,256	31,181
Less amount representing imputed interest averaging 11.6% at January 25, 1986	7,758	22,438
Present value of net future minimum lease payments	11,498	8,743
Less current portion included in current liabilities	1,014	530
	$10,484	$ 8,213

(c) As a result of the sale by Woodward's to Realty of freehold land as described in Note 2(b), a lease of a building situated on that land is no longer considered to be a capital lease. Accordingly, the net of the previous asset under capital lease and the related capital lease obligation, amounting to a credit of $76,000, has been written off against the costs of disposal of the Company's investment in Realty.

NOTE 5. BANK INDEBTEDNESS:

Woodward's net bank indebtedness, amounting to $34,113,000 at January 25, 1986, and the letter of credit discussed in Note 6 are secured by, among other things, an assignment of accounts receivable and merchandise inventories, a pledge, until the Debentures 1982 Series mature on April 1, 1987, of the cash collateral account discussed below and, subject to the prior charges of the outstanding Debentures, fixed and specific charges on fixtures, equipment and leasehold interests and a floating charge on all other assets of Woodward's. Woodward's agreement with its banker also provides that the Company will not, without prior consent, declare or pay cash dividends in excess of $5,000,000 in the 1987 fiscal year, $9,000,000 in the 1988 fiscal year and, in any fiscal year thereafter, one-half of the average of the consolidated net earnings (exclusive of non-cash extraordinary items and the share of net earnings of other companies) for the previous two fiscal years.

At January 25, 1986 the Company had $33,293,000 (which includes the proceeds from the issue of Convertible Subordinated Notes) on deposit in a cash collateral account with its banker. As the funds in the cash collateral account have in turn been invested in Banker's Acceptances issued by Woodward's, this account has been netted against bank indebtedness for balance sheet purposes.

NOTE 6. LONG-TERM DEBT:

(THOUSANDS OF DOLLARS)	Maturity	January 25, 1986	January 26, 1985
Woodward's Limited:			
5¾% Sinking Fund Debentures 1965 Series due on maturity	June 15, 1985	$ —	$ 2,499
6¾% Sinking Fund Debentures 1969 Series with annual sinking fund requirements on September 1 of $10	September 1, 1989	—	148
9¼% Sinking Fund Debentures 1973 Series with annual sinking fund requirements on July 15 of $700 in each of the years 1986 to 1988 inclusive, and $800 in each of the years 1989 to 1992 inclusive	July 15, 1993	8,731	9,286
11¾% Sinking Fund Debentures 1974 Series with annual sinking fund requirements on October 15 of $1,000 in each of the years 1986 to 1993 inclusive	October 15, 1994	11,944	12,067
11⅛% Sinking Fund Debentures 1976 Series with annual sinking fund requirements on June 15 of $800 in 1986 and $1,000 in each of the years 1987 to 1995 inclusive	June 15, 1996	14,752	15,240
10⅜% Sinking Fund Debentures 1977 Series with annual sinking fund requirements on August 1 of $800 in each of the years 1986 and 1987, and $1,000 in each of the years 1988 to 1996 inclusive	August 1, 1997	16,132	17,479
17½% Debentures 1982 Series due on maturity	April 1, 1987	25,000	25,000
9% Convertible Subordinated Notes, repayable as described hereunder	September 30, 2000	25,000	—
		101,559	81,719
Less current portion included in current liabilities		352	2,549
		$101,207	$79,170

During the current fiscal year, the holders of each series of the presently outstanding Debentures, by extraordinary resolution, authorized Montreal Trust Company (the "Trustee") to waive any and all events of defaults which would have arisen under the Trust Indenture and supplements thereto, as a result of the implementation of the Arrangement discussed in Note 2(a) and the issue of the Convertible Subordinated Notes. In return, the Company increased the annual rate of interest on each series of those Debentures by ½% effective October 15, 1985, and the Company also provided the Trustee with the letter of credit discussed below. The present value of the estimated future additional costs to be incurred as a result of the foregoing, reflected as "other accrued liabilities" in the consolidated balance sheet, has been included in the costs of disposal of the Company's investment in Realty.

All Debentures of the Company rank equally and are secured equally and rateably, except for sinking funds pertaining to the respective issues, by floating charges upon the undertakings and all property and assets, present and future, of the Company and certain designated subsidiaries. The Company has also provided additional security to the Trustee in the form of a bank letter of credit in the amount of $85,500,000 to cover outstanding principal, any applicable redemption premium and accrued interest on all of the outstanding Debentures. This letter of credit is subject to replacement with new letters of credit of lesser amounts as a result of future reductions in the principal amounts of the outstanding Debentures.

The Trust Indenture and supplements thereto, pursuant to which the outstanding Debentures of the Company have been issued, contain a restrictive covenant concerning the payment of cash dividends. At January 25, 1986, the consolidated retained earnings free of restrictions were approximately $22,000,000.

In order to provide the Company with an assured source of funds to repay the outstanding Debentures 1982 Series at maturity, the Company issued on October 15, 1985 the unsecured Convertible Subordinated Notes (the "Notes"). The Notes are convertible at the option of the holder at any time prior to September 30, 1992 into new Class A shares of the Company at a price of $6.125 per share. The Notes are also redeemable at the option of the Company at their principal amount at any time between October 1, 1988 and September 30, 1992 if the Company's new Class A shares trade, during 20 consecutive trading days within that period, at a weighted average price not less than 125% of the conversion price, and thereafter are redeemable at their principal amount plus a premium which decreases annually. Sinking fund payments are required on or before September 30 in each of the years 1993 to 1999 inclusive at an amount sufficient to retire in each of those years 5% of the principal amount of the Notes outstanding on September 30, 1992.

Maturities of long-term debt and sinking fund requirements during the next five fiscal years (net of Debentures purchased in advance of such requirements of $4,141,000 at January 25, 1986) are as follows:

(THOUSANDS OF DOLLARS)	
1987	$ 352
1988	27,307
1989	3,700
1990	3,800
1991	3,800

NOTE 7. SHARE CAPITAL:

(a) The authorized share capital at January 25, 1986 and the principal attributes of the various classes of shares, which are all without par value, were as follows:

(i) 30,000,000 new Class A shares and 30,000,000 new Class B shares which are voting, are exchangeable for one another at the option of the holder on a share-for-share basis and are identical in all other respects except that dividends on the Class B shares may be paid by way of stock dividends in the form of fully-paid Class E shares.

(ii) 30,000,000 new Class C shares which are voting and are exchangeable into Class A shares or Class B shares on a share-for-share basis. The Class C shares have the same dividend rights as the Class B shares and are identical in all other respects with the Class A shares and Class B shares.

(iii) 3,000,000 Class E shares which are non-voting, are not entitled to dividends and are redeemable at the amount paid-up thereon.

(iv) 20,000,000 Class F shares issuable in one or more series, with the number of shares and rights of each series to be authorized by the Board of Directors of the Company before the issue thereof. The Class F shares are non-voting except to the extent that such right is attached by the Board of Directors of the Company to a particular series.

(v) 10,000,000 preferred shares issuable in one or more series, with the number of shares and rights of each series to be authorized by the Board of Directors of the Company before the issue thereof.

(b) As part of the Arrangement discussed in Note 2(a), the authorized share capital was increased by the creation of the new Class A shares, Class B shares and Class C shares, and 30,000,000 Class G shares. Furthermore, the authorized share capital was decreased by the cancellation of the old Class A shares, Class B shares and Class C shares, the Class D shares and the Class G shares created pursuant to the Arrangement.

(c) The issued share capital at January 25, 1986 was as follows:

	Number of Shares	
	January 25, 1986	January 26, 1985
Old Class A shares	—	11,392,561
Old Class B shares	—	1,275,296
Old Class C shares	—	2,686,964
New Class A shares	12,033,728	—
New Class B shares	1,142,801	—
New Class C shares	2,684,584	—
	15,861,113	15,354,821

(d) Changes in the issued share capital since January 26, 1985 were as follows:

(THOUSANDS OF DOLLARS)	Number of Shares	Amount
(i) Old Class A shares, Class B shares and Class C shares:		
Balance at January 26, 1985	15,354,821	$45,815
Class A shares issued as stock dividends	255,992	3,052
Class A shares issued on exercise of employee stock options	230,000	3,294
Exchanged pursuant to the Arrangement (Note 2(a))	(15,840,813)	(52,161)
Balance at January 25, 1986	—	—
(ii) New Class A shares, Class B shares and Class C shares:		
Balance at January 26, 1985	—	—
Issued pursuant to the Arrangement (Note 2(a))	15,840,813	14,413
Class A shares issued on exercise of amended employee stock options	20,300	81
Balance at January 25, 1986	15,861,113	14,494
(iii) Class E shares:		
Balance at January 26, 1985	—	—
Issued as stock dividends	3,956,819	791
Redeemed	(3,956,819)	(791)
Balance at January 25, 1986	—	—
(iv) Class G shares (Note 2(a)):		
Balance at January 26, 1985	—	—
Issued pursuant to the Arrangement	15,840,813	37,748
Redeemed pursuant to the Arrangement	(15,840,813)	(37,748)
Balance at January 25, 1986	—	—
Total paid-up capital		$14,494

In addition to the foregoing, an aggregate of 138,367 old and new Class A shares were issued in exchange for 135,987 old and new Class B shares and 2,380 old and new Class C shares, and an aggregate of 3,492 old and new Class B shares were issued in exchange for 3,492 old and new Class A shares.

(e) On February 20, 1984, the Board of Directors of the Company approved the establishment of a Key Employee Stock Option Incentive Plan. Options were granted for 594,000 old Class A shares, exercisable at any time up to February 20, 1989 at either $13.05 per share or $14.50 per share.

Between January 27, 1985 and October 15, 1985, an aggregate of 230,000 old Class A shares were issued for $3,294,000 on the exercise of options. On October 15, 1985 and pursuant to the Agreement with Cambridge, outstanding options for 46,500 old Class A shares were cancelled and other outstanding options were amended to apply to 317,500 new Class A shares, exercisable at $4.01 per share at any time up to February 20, 1989. Payments made by the Company in connection with the respective cancellation and amendment agreements were recovered from Cambridge. Between October 16, 1985 and January 25, 1986, an aggregate of 20,300 new Class A shares were issued for $81,000 on the exercise of amended options.

At January 25, 1986, amended options for 297,200 new Class A shares remained outstanding.

(f) At January 25, 1986, sufficient unissued new Class A shares and Class B shares were reserved for the rights of exchange between the various classes of shares, the conversion rights attached to the Convertible Subordinated Notes, the outstanding amended employee stock options and the balance of 893,693 new Class A shares for which additional options may be granted pursuant to the Key Employee Stock Option Incentive Plan.

NOTE 8. OTHER CAPITAL TRANSACTIONS:

During the current fiscal year, an amount of $809,000 was transferred from the unrealized net gains on sales of certain properties to Realty and related corporate joint ventures to the share of Realty's realized net gains (see Note 11). The balance of the previously unrealized net gains, amounting to $4,270,000, has been accounted for as part of the disposal of the Company's investment in Realty.

NOTE 9. NET INTEREST EXPENSE:

Woodward's net interest expense comprises the following:

(THOUSANDS OF DOLLARS)	Fiscal Year Ended January 25, 1986	January 26, 1985
Interest expense:		
Long-term debt and capital lease obligations	$11,679	$11,010
Other	2,933	2,927
	14,612	13,937
Less interest income:		
Realty	2,345	4,976
Other	793	—
	3,138	4,976
Net interest expense	$11,474	$ 8,961

NOTE 10. INCOME TAXES:

Woodward's net provision for (recovery of) income taxes on the operating loss from merchandising operations does not reflect its statutory basic income tax rates for the following reasons:

	Fiscal Year Ended January 25, 1986	January 26, 1985
Statutory basic income tax rates	(50.1)%	(50.1)%
Changes resulting from:		
Corporate surtax	(1.0)	—
Inventory allowance	(208.7)	(34.6)
Non-taxable incomes	(28.0)	(4.0)
Other	(17.2)	3.4
Effective income tax rates	(305.0)%	(85.3)%

NOTE 11. EXTRAORDINARY ITEMS:

Extraordinary items comprise the Company's share of Realty's gains on sales of properties, fixtures and equipment for the period up to the date of disposal of the Company's investment therein, as follows:

(THOUSANDS OF DOLLARS)	Fiscal Year Ended January 25, 1986	January 26, 1985
Gains	$9,648	$ 34,101
Less income taxes thereon	2,563	10,446
Net gains	7,085	23,655
Less amount deferred, net of deferred income taxes of $1,085	3,067	—
	$4,018	$ 23,655

The amount deferred of $3,067,000 is attributable to retail premises leased back by Woodward's (see Note 1(g)).

NOTE 12. NET EARNINGS (LOSS) PER SHARE:

Basic net earnings (loss) per share have been calculated using the weighted average aggregate number of old and new Class A shares, Class B shares and Class C shares outstanding during each fiscal year after giving retroactive effect to stock dividends.

Fully diluted net earnings (loss) per share have been calculated using the weighted average aggregate number of old and new Class A shares, Class B shares and Class C shares which would have been outstanding assuming that the Notes discussed in Note 6 were converted into new Class A shares and the employee stock options discussed in Note 7(e) were exercised, on the dates when Notes were issued and the options were granted, respectively. For purposes of this calculation, the earnings or loss from merchandising operations before extraordinary items have been adjusted for the after-tax effect of interest expense on the Notes and an after-tax return of 5% (1985 — 6%) on additional funds assumed to have been received on exercise of the options. Fully diluted net earnings (loss) per share for the current and previous fiscal years were as follows:

(DOLLARS)	Fiscal Year Ended January 25, 1986	January 26, 1985
Earnings (loss) from merchandising operations before extraordinary items	$ .16	$ (.07)
Earnings from discontinued operations before extraordinary items	.16	.24
	.32	.17
Extraordinary items	.23	1.46
Net earnings	$ .55	$1.63

NOTE 13. RELATED PARTY TRANSACTIONS:

(a) Significant transactions with Realty, in addition to those described in Notes 2(b) and 9, during the period up to the date of disposal of the Company's investment therein, were as follows:

(THOUSANDS OF DOLLARS)	Fiscal Year Ended January 25, 1986	January 26, 1985
Sale of properties to Realty	$ —	$ 9,165
Charges from Realty for:		
Rentals	11,644	15,085
Common area maintenance costs and property taxes recovered	2,010	2,661
Charges to Realty for:		
Leasing and development fees	—	709
Management fees	511	427

(b) Woodward's had other transactions with related parties (principally corporate joint ventures of Realty) in the ordinary course of business. Such transactions, to the extent not disclosed elsewhere, are not significant to these consolidated financial statements.

NOTE 14. BUSINESS SEGMENT:

Woodward's operates primarily in one business segment, the retail merchandising industry, as substantially all of its revenues and earnings are derived from that industry.

NOTE 15. COMMITMENTS:

(a) The aggregate minimum future annual rentals (exclusive of renewal periods and property taxes and other expenses payable directly by Woodward's) under long-term operating leases for premises are as follows:

(THOUSANDS OF DOLLARS)

Fiscal years ending in:	
1987	$ 30,997
1988	30,878
1989	30,777
1990	30,735
1991	30,895
Thereafter to 2016	564,026
	$718,308

The aggregate amount of rentals under these leases, some of which contain a percentage-of-sales clause, charged against the operating loss from merchandising operations during the current fiscal year was $33,639,000 and during the previous fiscal year was $31,285,000.

(b) An independent actuarial valuation of the non-contributory pension plans for employees made during the current fiscal year indicated that the value of the net assets available to provide for future pension benefits were, in the aggregate, in excess of the present value of the accrued future benefits. Consequently, and as permitted by pension benefits legislation, a portion of this surplus was recovered by Woodward's and was accounted for as a reduction of total pension costs. The total pension costs with respect to these plans charged to the operating loss from merchandising operations was a net recovery of $1,291,000 in the current fiscal year and an expense of $1,980,000 in the prior fiscal year.

NOTE 16. COMPARATIVE FIGURES:

In addition to the restatements discussed in Note 2(c), the comparative figures in the consolidated statement of changes in financial position have been reclassified to conform to the presentation in the current fiscal year. This presentation focuses on the changes in bank and other short-term indebtedness rather than on the changes in working capital.

NOTE 17. SUBSEQUENT EVENT:

On March 20, 1986, new employee stock options were granted for 791,500 new Class A shares (including options for 313,000 new Class A shares to officers of the Company), exercisable at any time up to March 20, 1991 at either $6.075 per share or $6.75 per share.

MANAGEMENT REPORT

The consolidated financial statements of the Company and its subsidiaries, the notes thereto and all other financial information which accompanies this report, have been prepared by management of the Company in accordance with generally accepted accounting principles and on a basis consistent with the previous year. The consolidated financial statements have been examined by the Company's auditors, Deloitte Haskins & Sells, and their report offers an unqualified independent opinion to shareholders on the Company's financial position and operating results for the year.

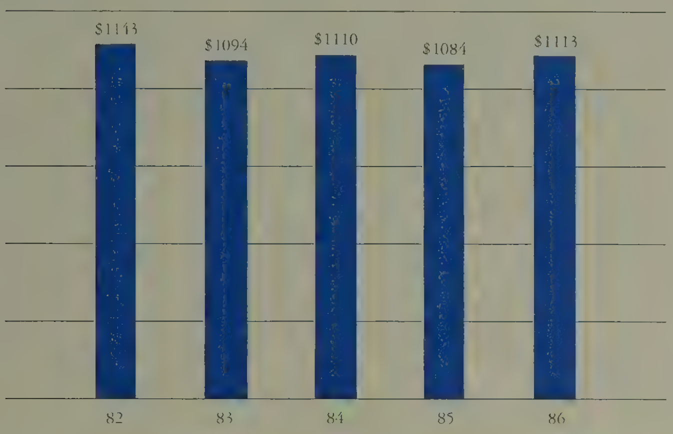
The Board of Directors has approved the report to the shareholders and these consolidated financial statements after a comprehensive review and subsequent recommendation by the Board's Audit Committee. This Committee, which consists entirely of Directors who are not employees, meets quarterly with Company management, and periodically with the internal auditors and the Company's external auditors to review accounting and auditing procedures and other relevant financial matters.

The system of internal control established by the Company, and the functions performed by the internal auditors provide management with reasonable assurance that the assets of the Company are safeguarded and that proper financial records are maintained.

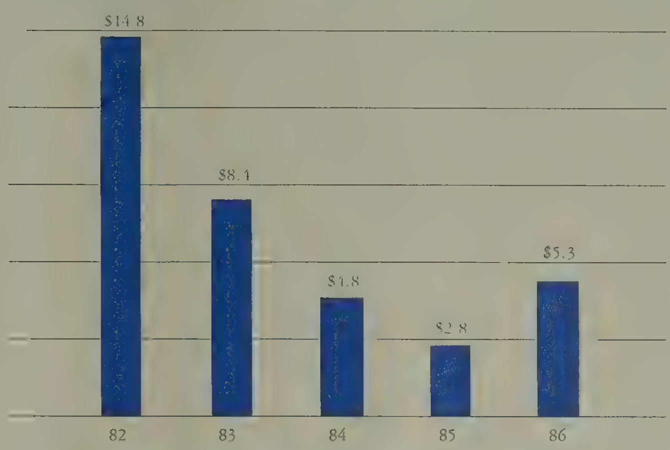
The net earnings before extraordinary items for the year ended January 25, 1986 were $5,272,000 as compared to $6,693,000 in the Company's forecast dated September 4, 1985. The principal reasons for this shortfall were (i) delayed completion of renovations to four stores resulting in loss of sales and drop in gross profit in the departments being renovated, and (ii) a decline in the gross margin achieved by the food division resulting from the opening of additional competitive food stores in most of the Company's market areas.

Comparative Statistics

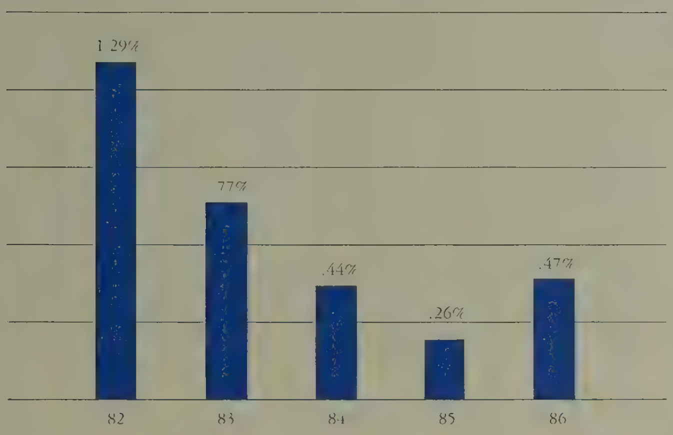
OPERATING REVENUE
Millions of Dollars



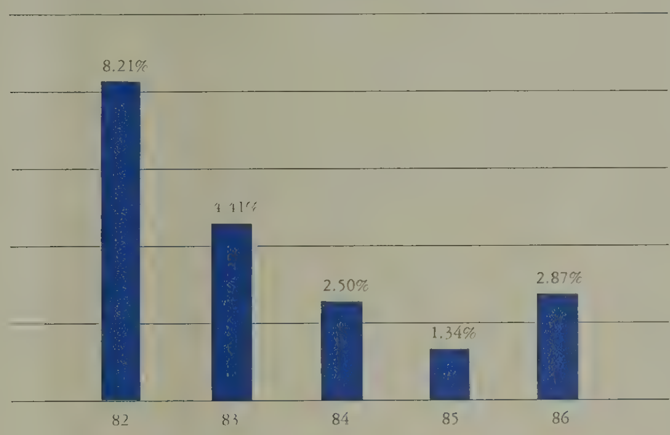
EARNINGS, EXCLUDING EXTRAORDINARY ITEMS
Millions of Dollars



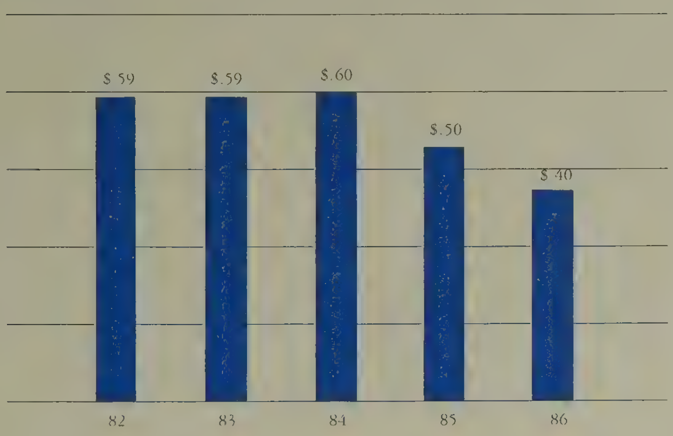
EARNINGS, EXCLUDING EXTRAORDINARY ITEMS,
AS A PERCENT OF OPERATING REVENUE



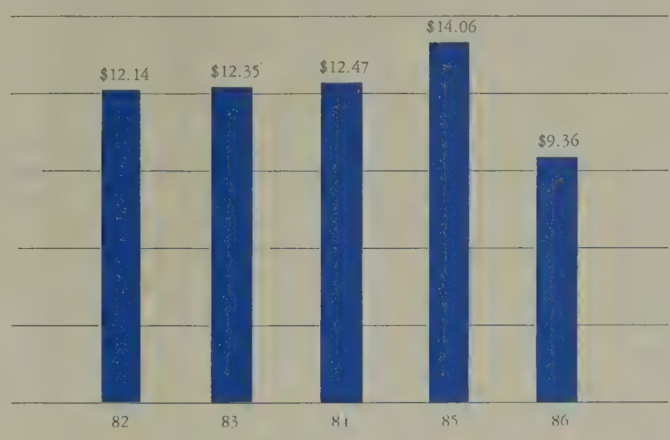
EARNINGS, EXCLUDING EXTRAORDINARY ITEMS,
AS A PERCENT OF AVERAGE SHAREHOLDERS' EQUITY



REGULAR DIVIDENDS PER SHARE
Dollars



EQUITY OF EACH CLASS A, B AND C SHARE
Dollars



COMPARATIVE HIGHLIGHTS (1)

WOODWARD'S LIMITED AND SUBSIDIARY COMPANIES

FISCAL YEARS ENDED (THOUSANDS OF DOLLARS EXCEPT PER SHARE DATA)	January 25, 1986	January 26, 1985
Sales Including Service Charges	$1,106,547	$1,078,604
Selling, General and Administrative Expenses	241,540	238,036
Provision for Depreciation and Amortization Charged to Operations	13,612	12,217
Net Interest Expense	11,474	8,961
Profit Sharing and Retirement Funds	2,457	5,579
Provision for (Recovery of) Income Taxes	(3,700)	(6,794)
Earnings (Loss) from Merchandising Operations	2,487	(1,169)
Earnings from Discontinued Operations (1)	*2,785	*3,947
Net Earnings (*Excluding Extraordinary Items of Income)	*5,272	*2,778
Basic Net Earnings per Share (*Excluding Extraordinary Items of Income) (2)	$ *.34	$ *.18
Regular Dividends per Share	.40	.50
Working Capital (Current Assets less Current Liabilities)	$ 178,575	$ 162,511
Ratio of Current Assets to Current Liabilities	2.55	2.52
Properties, Fixtures and Equipment less Depreciation Provided	$ 78,371	$ 77,245
Assets Under Capital Leases less Amortization Provided	10,570	7,878
Total Assets	389,581	425,077
Long-Term Debt	101,207	79,170
Capital Lease Obligations	10,484	8,213
Shareholders' Equity	$ 148,436	$ 219,526
Equity of Each Class A, B and C Share (2)	9.36	14.06
Return on Average Shareholders' Equity	% 2.87	% 1.34

(1) 1985 and prior fiscal years have been restated to present the investment in Woodward Realty Limited on the equity rather than the consolidated basis. The share of earnings of Woodward Realty Limited is reported as earnings from discontinued operations.

(2) The per share figures for 1985 and prior fiscal years have been restated to reflect stock dividends paid during the 1986 fiscal year.

January 28, 1984	January 29, 1983	January 30, 1982
$1,103,876	$1,087,926	$1,137,051
243,686	237,006	249,125
12,156	10,948	9,409
10,870	12,153	11,723
5,744	10,639	11,348
(3,904)	(2,563)	3,607
932	4,993	*10,357
3,904	*3,443	*4,430
4,836	*8,436	*14,787
$ .31	$ *.54	$ *.95
.60	.59	.59
$ 156,405	$ 166,462	$ 144,368
2.29	2.89	2.03
$ 76,904	$ 71,675	$ 75,374
8,450	9,020	9,589
416,505	390,769	423,702
82,809	89,493	68,059
8,742	9,224	9,660
$ 194,623	$ 192,744	$ 189,519
12.47	12.35	12.14
% 2.50	% 4.41	% 8.21

DIRECTORS

Charles Namby Wynn Woodward†‡
Rose Bancroft
Joseph Lorne Braithwaite
William George Brown
Charles Reginald Clarridge**
Thomas Raymond Farrell*
Marco Gandossi, C.A.†
William Douglas Haig Gardiner†‡
James Norman Hyland*‡
Philip Charles McComb
Frank Allan Robertson†
Margaret Elizabeth Southern
John Martin Tennant†
Robert Arthur White*†
William John Douglas Woodward

†MEMBER OF EXECUTIVE COMMITTEE
*MEMBER OF AUDIT COMMITTEE
**ALTERNATE MEMBER OF AUDIT COMMITTEE
‡MEMBER OF COMPENSATION COMMITTEE

OFFICERS AND EXECUTIVE MANAGEMENT

Charles Namby Wynn Woodward
Chairman of the Board and Chief Executive Officer

Frank Allan Robertson
President and Chief Operating Officer

William John Douglas Woodward
Executive Vice President, Merchandising

Marco Gandossi, C.A.
Executive Vice President, Finance and Secretary

William George Brown
Senior Vice President, Distribution and Operations

Philip Charles McComb
Senior Vice President, Alberta Operations

George Richard Bailey
Vice President, Marketing

James Duncan Gilbert
Vice President, Retail Operations

John Alvin Hopkins
Vice President, Planning and Buildings

James Robert Jones
Vice President, Real Estate and Development

Merwin McBride
Vice President, Food Operations

Thomas Nicholas Sebal
Vice President, Human Resources

Christopher Charles Woodward
Vice President, Stores

Ian Alexander Loudon, C.A.
Controller

Gregory John Duncan McKinstry
Treasurer and Assistant Secretary

REGISTRAR

Woodward's Limited, Vancouver, British Columbia.

HEAD OFFICE

101 West Hastings Street, Vancouver, British Columbia.

TRANSFER AGENTS

Woodward's Limited, Vancouver, British Columbia.
Montreal Trust Company, Toronto, Ontario; Montreal, Quebec; Edmonton, Alberta.

AUDITORS

Deloitte Haskins & Sells, Chartered Accountants, Vancouver, British Columbia.

ANNUAL GENERAL MEETING

10:30 a.m. Tuesday, May 27, 1986, Oakridge Auditorium, Oakridge Centre, 41st & Cambie, Vancouver, British Columbia

WOODWARD STORES IN BRITISH COLUMBIA AND ALBERTA

1892
Downtown Store,
Vancouver, B.C.

1948
Port Alberni Store,
Port Alberni, B.C.

1950
Park Royal Centre,
West Vancouver, B.C.

1954
New Westminster Store,
New Westminster, B.C.

1955
Westmount Centre,
Edmonton, Alberta

1959
Oakridge Centre,
Vancouver, B.C.

1960
Chinook Centre,
Calgary, Alberta

1963
Mayfair Centre,
Victoria, B.C.

1965
Northwood Mall,
Edmonton, Alberta

1966
Guildford Centre,
Surrey, B.C.

1966
Parkwood Centre,
Prince George, B.C.

1970
Southgate Centre,
Edmonton, Alberta

1971
Market Mall Centre,
Calgary, Alberta

1974
Edmonton Centre,
Edmonton, Alberta

1974
Arbutus Village,
Vancouver, B.C.

1975
Lethbridge Centre,
Lethbridge, Alberta

1975
Sevenoaks Centre,
Clearbrook, B.C.

1975
Cherry Lane Centre,
Penticton, B.C.

1977
Lansdowne Park,
Richmond, B.C.

1979
Coquitlam Centre,
Coquitlam, B.C.

1981
Bower Place,
Red Deer, Alberta

1981
Aberdeen Mall,
Kamloops, B.C.

1981
Sunridge Mall,
Calgary, Alberta

1981
Woodgrove Mall,
Nanaimo, B.C.

1985
West Edmonton Mall,
Edmonton, Alberta

1986 (August)
Metrotown Centre,
Burnaby, B.C.

Woodward's Limited
101 West Hastings Street
Vancouver, British Columbia

MacDonald Printing
Lithographed in Canada